

**Remarks as delivered
ADM Gary Roughead
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Thank you very much.

What Kevin didn't tell you is that he and I are only twenty now. We've aged well.

But, ah, it really is a great opportunity to come and join you today, and to share some thoughts about our Navy. And, it is wonderful to be back at SNA. And I think back into my earlier, younger days, and I have the pleasure and privilege of recalling personally the discussions that took place among some visionary Surface Warfare Officers some years ago, and being in the room when they were talking about the creation of the Surface Navy Association. And it is just very heartwarming and rewarding to see what this association has become and to see the great work that it has done, and I thank you all for being here today.

I am particularly pleased to be here this afternoon because it affords me a chance to talk about our Maritime Strategy and also about my favorite topic, a topic that is of mutual interest to all of us here, and that is ships, aircraft and submarines. And, especially in this gathering, to be able to talk about ships. Because each is crucial to our national defense. The unfortunate fact is that in the past year we only had a net gain of two additional ships to the United States Navy. The question that you have to ask yourself is why? And we'll talk about that a little bit later. But we have laid out a new maritime strategy that will require the best Sailors, realistic training, and most importantly, an appropriately balanced fleet of ships. We must solve the challenge of acquiring the next fleet of ships by seizing current opportunities if we are to realize the imperatives of our Maritime Strategy.

I am having a difficult time with the lighting here so bear with me. *(lights dimmed)*

Although I was not expecting to be in the position that I now hold, from the beginning of the development of the maritime strategy, I was personally committed and personally involved in its development and in shaping the strategy as we went forward. I was compelled really because of the experiences that I had in operational commands that convinced me of its need and what that strategy should contain. Two themes hold the Strategy apart from those who have gone before: cooperation among all maritime services and equal emphasis on preventing and winning wars. This is also the first Maritime Strategy that was developed and signed to by 3 U.S. maritime services – the Navy, the Coast Guard, and the Marine Corps. This is also the first strategy to commit our maritime forces to a new level of cooperation: interlinked and international because we recognize that no one nation can ubiquitously cover the 70% of the surface of the earth that is covered by water and we also realize that no one nation can monitor the shore and guarantee the flow of over 90 percent of the world's commerce that moves on the oceans. But the changes and benefits of this strategy will not occur overnight, because the strategy that we have envisioned the strategy is built upon trust and trust must be developed over time through collaboration - even through such basic operations such as search and rescue and fisheries protection, through the exchange of ideas and technology and by acceding to internationally recognized agreements to enable cooperation, such as the UN Law of the Sea Convention. What we as a Navy and a

nation do in developing our partnerships will pay off many, many times over in our own operations.

Central to the goal of winning and preventing war, the Strategy holds paramount those core capabilities which, in the end, will be the ones to protect and defend our nation. Those capabilities are Forward Presence, Deterrence, Sea Control, and Power Projection. By virtue of our profession and by our obligation as members of the United States Navy, we have to be prepared for the worst. Those enduring capabilities will remain our touchstones and are what will make us a dominant force in the future. To prevent war, however, the new Strategy calls out for some other capabilities, two more to be exact: Maritime Security and Disaster Relief and Humanitarian Assistance. These new capabilities have garnered much attention because in the images that have been portrayed through our execution of those, they have captured what a navy can and will do for the future.

For the Fleet, the new Maritime Strategy reaffirmed our mission to fight and win our nation's wars. My message to our Sailors is that this new strategy is nothing without you. Your personal contributions, your professionalism, your commitment, are what will make this strategy work. Nine days ago, USS HOPPER, USS PORT ROYAL, and USS INGRAHAM demonstrated in the Strait of Hormuz how important each and every Sailor is to the maritime strategy. From the Commanding Officer, to the Officer of the Deck, to the Tactical Action Officer to the members of the ships' Small Caliber Action Team, all of them displayed the discipline, the training, and the presence of mind and situational awareness that kept a potentially volatile situation from erupting into combat. They responded and performed as they had been trained, and in doing so they controlled the situation perfectly. Those Sailors were the ones who nine days ago demonstrated forward presence, deterrence, sea control, and [inaudible] discipline of our Navy.

Five days ago, I visited the Sailors of USS MILIUS; she too had deployed and just returned from a deployment to the Arabian Gulf ... thank you very much, I appreciate it (lights come on) ... where they performed a different role in developing our international partnerships. They, too, operated in the Arabian Gulf, as I said, participating in a Maritime Security Operations with other nations and in their own way they were forming the bedrock of international cooperation. On top of the work they did were in maritime security, some of that took them into fishery enforcement, ... which I've said before does not sound very combat-like but when our Sailors boarded some of the boats that were around and the sailors that were on those boats presented them with some fish and that doesn't sound like a big deal but I think what it does is it demonstrates that personal connection that can take place between our Sailors and those with whom they operate and interact and it also demonstrates the value of that personal contact in protecting international security and the prosperity, which our prosperity is so connected. Because I believe sailors are the ones who realize our traditional and expanded capabilities; Sailors are at the end of the day, the ones who forge relationships and partnerships. Sailors will make the Strategy a reality.

The emphasis on every Sailor's role will only increase as we optimize our Navy at 322,000. We will rely more on capable young men and women, diverse young men and women, who are empowered Sailors who are individually ready to carry out the Maritime Strategy and who will keep their ships mission ready. More young men and women like those on the HOPPER and

MILIUS must be attracted to the Navy, developed through rigorous and realistic training, and retained so that they may bring their experiences to bear. Attracting, and recruiting and retaining this force is what I have set as a goal for the Navy. The goal I have set is to be recognized as one of the top 50 employers or places to work in United States. It's a milestone that will earn the Navy the recognition it deserves for providing meaningful service to country, great benefits and unparalleled professional and personal fulfillment. It will drive our personnel policies to reflect the best practices of the nation's greatest workplaces.

Developing and preparing Sailors to meet a complex and challenging future will require every training opportunity to its full potential. Potential adversaries are getting better in their operations; as an example, quiet diesel submarines are among the most challenging to our forces. Since finding and tracking a submarine is one of our most difficult ship operations, to protect our Sailors and to enable them to defend our nation, our training at sea must not be constrained by restrictions which are not based in science and which do not recognize the importance of training to our national security and to our prosperity.

We are of the sea, and for those of us Washingtonians we would like to be on the water, but that's not what the cards have said. We are here and our jobs as the nation's leaders is to ensure Sailors have the ships, the aircraft and the submarines that will enable them to accomplish the mission. What the Maritime Strategy means to this corps of leaders today is that my priority over the next four years will be to build tomorrow's Navy, and we will have to do so in the context of budget realities. While some may muse optimistically about topline relief, that is an uncertainty. The Maritime Strategy and the budget that we can convincingly underpin will determine what we buy and how we buy it.

For me, the bottom line is that we must have no less than 313 ships in our Navy, and it must be a well balanced fleet. I am often asked, "CNO, what is more important: number or mix?" and the answer is yes... Quantity without the right mix of ships introduces gaps in capabilities and can result in cost inefficiencies. Balance without quantity is ineffective because it will strain or dissolve our global reach and it will not necessarily be less expensive. Number and balance are linked, they are mutually reinforcing, and they are both vital to building tomorrow's Navy.

Three hundred thirteen is the numerical floor because it gives us global capabilities. At some point, quantity becomes a capability. And as the commander in the Pacific and the commander in the Atlantic, I can tell you that I never had enough ships, even before we developed the Maritime Strategy. My ships and submarines were stretched to their operational capacity, and there was always more that needed to be done. We can talk about presence, deterrence and maritime security, but the words ring hollow without ships that we need to execute that strategy. Without enough ships off the coast of a potential adversary, without enough ships to pull into a strategic port regularly, without enough ships to patrol and protect important sea lanes, and without enough ships to quickly respond to crises or disasters, we as a nation are disadvantaged.

A fleet in balance is one which has ships available to support our close relationship with the USMC and support the Marine dimension of power projection. Balance means the ability to

execute each and every one of the 6 capabilities of the strategy to the extent that they are needed around the world. We must go beyond individual plans and myopic decision making to achieve a complete approach to building the fleet. Every ship design, every plane, every submarine, every UAV, every computer network, must explicitly support one or more of the six core capabilities. Buying an aircraft carrier I know I am investing in forward presence, and Sea Control, and Power Projection, and Deterrence. Buying an LCS I know I am closing the green water gap and expanding Deterrence, and Forward Presence, and sea control and Maritime Security. Do not develop or promote a product without first establishing the link to those six core capabilities and do not consider overbuying in one because it will come at the detriment to another capability.

I will be meticulous in balancing across the spectrum of our capabilities; and I will be equally meticulous in assessing the technology that we will use to maintain our dominance. I expect us to exploit the newest, most advanced technologies where available but also to use simple solutions whenever appropriate. Technical overmatch against our adversaries is a must. I never, ever want one of our Sailors in a fair fight. They must always have the advantage and American ingenuity will make that possible. That said, every technical acquisition will be made with an eye towards maximum return on investment. We will develop in those areas where we see a realistic threat to our dominance and our investments will follow leaps in technology, not incremental steps. Likewise overdeveloping technology where we already have a clear advantage is a luxury that we cannot afford. Not everything needs to be gold plated.

But how do we do all of this? How will we get to 313 if as I mentioned before in the last year we only added two ships? How will we achieve this careful balance across capabilities and technology if we are challenged fiscally? We will do it through great discipline, but even more so, through cooperation. All involved in the process – all involved – must have a frank and open dialogue, because all of us want the same thing: more ships. To leverage a strong relationship and realize efficiencies in shipbuilding, there must be trust developed through disciplined and principled processes – and I will be putting pressure on all to do this.

For the Navy, we must exercise appetite suppression and we must scrupulously separate needs from wants. We do not have the budget to operate any other way. I expect Navy leaders to take a disciplined approach in determining our needs. An approach based in the Maritime Strategy that strives to balance among the 6 core capabilities, linking each purchase to a capability or capabilities will be the test that I will apply. To do this, hard decisions will have to be made in the short term to ensure that a long term shipbuilding plan is viable. Likewise we must seek out simple and dramatic cost cutting solutions, such as reducing the number of hull forms that we will field in our Navy. That said, because it is in a very early state, I am not yet ready to commit to any LCS strategy that might be whirling in people's minds.

Further, when we state our requirements, our decisions must be final. I am passionate about limiting requirement creep and will be relentless in my demand for them to be clearly articulated and defined accurately. We must be able to take our cost estimates to the bank. Submitting thousands of changes to our requirements is needlessly consuming our budget and ruining the common trust we must have. If we can build our relationship with industry, listen to one another, we can work together to make the changes that are hindering shipbuilding

efficiencies. Over the past eight days, and in six shipyards, I saw industry making needed and significant improvements. We in the Navy must approach our processes with the same enthusiasm. I am not satisfied with the explanation that the nature of our bureaucracy limits our flexibility. Leaders must lead change and be accountable for its success. I will actively support Secretary Winter's acquisition reform initiatives to be able to get us to this end state.

What I need from industry is your frank dialogue and continued commitment to cost reduction and improved quality. This past week, I have witnessed the pride in workmanship of our shipyard workers. Their dedication, and their innovation, and their commitment to improving the ships they produce and reduce the time it takes to produce them is truly remarkable. But I need you to continue to aggressively pursue and invest in infrastructure and process improvements. We cannot stay in a position where other nations can produce a ship for less than what it costs us to procure the materials. And we cannot accept products which are ineffective, overambitious, and/or late. I will not purchase a product whose technical overreach greatly exceeds any need; and we cannot accept delay. I want your creativity, your American ingenuity, and your best products, but I also need the competitive spirit and frank assessments which are the hallmarks of American industry.

The Navy must work with industry to control costs. We are symbiotic – we depend on one another. We depend on the ships industry produces, and industry depends on our steady demand for those ships. What is clear here is that we cannot maintain the status quo if either of us expects to meet future challenges - not in determining requirements, not in acquiring tomorrow's fleet, and not in building it. I will can tell you that I will be personally involved in all of the key steps of acquiring tomorrow's fighting force. I will work to ensure both industry and Navy are holding true to promises and that we are working together to build the ships that we need.

When I commissioned an Aegis destroyer several years ago, I was a young prospective commanding officer. And there was the company's newest ship superintendent and we were there together. And it gave me great pleasure about 4 days ago to meet up with that gentleman again and now where I am and he's a much older much more wisely experienced shipbuilder we would talk about the past and recalled the optimism that we had about ships and shipbuilding in our country. As he and I parted ways this last time we shared that same optimism. We can get there if we can work together and set the course for the future and cooperate.